

Office of City Auditor – City of Seattle

Monthly Report – May 2004



The City Auditor is Seattle's independent internal auditor, appointed by the City Council's Finance Committee Chair and confirmed by the full Council. The Office of City Auditor conducts financial, performance, management, and compliance audits of City departments, programs, grantees, and contracts. The office can be reached at (206) 233-3801, or on the Internet at <http://www.seattle.gov/audit>.

Recently Published

To provide background and perspective for our ongoing project on climate change, we featured the topic in the May issue of our periodic newsletter "Performance Perspective." As described in the newsletter, we recently initiated a review of Seattle City Light, Seattle Public Utilities, and the Seattle Department of Transportation to determine how these City departments are incorporating climate change impacts into their long-term planning, and what the financial impacts of climate change could be on the City. In contrast to the Office of Sustainability and Environment's focus on mitigation and prevention of greenhouse gas emissions, we will focus on how these departments are planning to address risks if climate change occurs.

In May, we also issued a report on the City's contracts with three towing companies authorized by police and parking enforcement officers to impound vehicles. The City currently impounds about 30,000 vehicles per year. Vehicles are impounded for a variety of reasons, including peak parking violations. Revised Code of Washington Chapter 46.55 and Seattle Municipal Code Chapter 11.30 provide the primary legal authority and guidelines for City impounds. Some impound charges are paid by the City, but the vast majority of the charges are the vehicle owner's responsibility. The vehicle owner also pays an administrative fee to the City for most impounds. Currently, the City collects about \$440,000 annually for administrative fees and

pays the tow companies about \$240,000 annually for impound charges. The City's Revenue & Consumer Affairs Division housed within the Department of Executive Administration, serves as the contract administrator, and the Seattle Police Department has budget authority for impound charge expenses. Our review focused on evaluating the controls governing impound policies, programs, operations, contracts, and vendor services, as well as the financial management of impound expenses and revenues.

Speakers' Platform

Susan Cohen and Wendy Soo Hoo were featured speakers at the May 12, 2004 luncheon meeting of the Institute of Internal Auditors' Puget Sound Chapter at the Washington Athletic Club. The subject of their presentation was "Appraising Auditor Performance: Strategies and Lessons Learned."

Staff Notes

Three staff members celebrate graduations this spring. The Office of City Auditor's intern, Sarah Butler, will receive her Master of Public Administration degree from the University of Washington Evans School of Public Affairs in June. Megumi Sumitani's son will graduate from Seattle's Garfield High School and will attend the University of Chicago in the fall. And Susan Cohen's daughter will graduate from Leaps and Bounds Preschool in Bainbridge, and will start kindergarten in the fall.

Status of Seattle Office of City Auditor Rolling Work Program¹

(Highlighted projects denote change in status from April)

Projects in the Preliminary Stage (see definitions below)

Overweight Trucks on Streets
Weights and Measures Program

Projects in the Job Design Phase

Domestic Violence
Information Technology Inefficiencies
Impact of Climate Change on City Operations and Facilities
Project Share
Seattle City Employees Retirement System Follow-Up

Projects in the Data Gathering and Analysis Phase

Business Taxes

Low Income Rate Assistance Follow Up

Construction Contract Review

Construction Contract Closeout

Procurement at Seattle Public Utilities

Seattle Channel

Projects in the Report Writing Phase

Response to SLI on Quality Assurance Reviews of
Information Technology Projects (Non-Audit Project)
Seattle City Light Customer Service Center Cash Audit

To Do Projects

Boards and Commissions

Boundary Dam Internal Controls
Citizen Complaints Audit Follow-Up
City Procurement Cards
City's Weatherization Programs
Construction Scheduling
Fire Levy
Hiring Freeze
Madison Pool Facility Cash Fund Follow-up
Municipal Court Collection Services Follow-Up
Museum Development Authority
Neighborhoods Service Centers Cash Handling Follow-Up
Quality Assurance Review of Office of City Auditor
Seattle City Light Follow-Up
Seattle Department of Transportation Permit Center Follow-Up
Small Works Roster–Construction
Small Works Roster–Consultants
Treasury and Business Improvement Area Follow-Up
Warehouses–Citywide

Ongoing Projects

Cable Customer Bill of Rights
Citywide Cash Handling

Preliminary: Preliminary review under way to determine whether topic is valuable for an audit.

Job Design: Audit scope is determined and a data-gathering plan is developed. A decision is also made on whether to continue the audit at the end of this phase.

Data Gathering and Analysis: Comprehensive fieldwork and in-depth analysis is completed during this phase.

Report Writing: Development of the final report.

Follow-Up: Assessment of City departments' implementation of earlier audit recommendations is often completed one to two years after publication.

To Do: Issues the office will consider examining as staff resources become available.

Ongoing: Official briefings, management reporting, and other small consulting engagements performed on a continuous or regular basis.

¹The Office of City Auditor maintains a "rolling" work program. Throughout the year, we receive new audit suggestions and reprioritize our work program to ensure that we address the most important issues first. The office is currently staffed to complete 12 to 14 projects annually.